Reduction in interest rates on small saving

540. SHRIMATI JAYAPRADA NAHATA:
SHRI AMAR SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have recently reduced interest rates on small savings and public provident fund in post offices throughout the country;

(b) if so, the reasons therefor;

(c) whether the interest of general public to save the money in post offices have been affected adversely; and

(d) if so, what is Governments reaction in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir. The interest rates on certain small savings schemes and Public Provident Fund have been reduced *w.e.f.* 15.1.2000.

(b) The marginal reduction in the interest rates was necessitated in the larger interest of the economy so as to align these rates with the over all interest rate structure in the country.

(c) No, Sir. Subscribers to the small savings schemes will continue to benefit from the relative advantage of these schemes by way of assured return, attractive tax concessions and easy accessibility.

(d) Does not arise.

Complaint from ONGC Employees Association

541. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether CBDT received complaint from ONGC Employees' Association, Calcutta *vide* letter No. 106/PRBS/98-99 dated 4th August, 99 against ONGC for illegal and forcible deduction from monthly salary of employees since August, 1998 in the name of PRBS scheme;

(b) whether Commissioner of Income-tax, Meerut has given tax